Before the

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

In the Matter of Global NAPs Illinois, Inc. Petition for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Verizon North Inc, *f/k/a* GTE North Incorporated and Verizon South Inc. *f/k/a* GTE South Incorporated	**Case No.: 02-0253**

REPLY BRIEF TO THE EXCEPTIONS OF VERIZON, BY GLOBAL NAPS ILLINOIS, INC.

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I. Introduction.

Although Global NAPs does not agree with the *Proposed Arbitration Decision* in its entirety, it is a thoughtful, well reasoned decision consistent with Illinois law. It represents a balance of interests between conflicting parties and provides a basis upon which the parties can enter an interconnection agreement to exchange traffic for the benefit of themselves and the betterment of the general welfare of Illinois. Verizon has challenged the *Proposed Arbitration Decision* in its filing made on September 6, 2002. Global NAPs hereby opposes Verizon's exceptions and generally supports the Administrative Law Judge's determinations. Global contends that under federal law and consistent with sound public policy: (1) Transport: each party should be responsible for the costs associated with transporting its own traffic to the POI; (2) VNXX: Global should be permitted to assign its customers NXX Codes that are "homed" in a central office switch outside of the local calling area in which the customer resides without imposition of origination charges; and, (3) Local Calling Area: Global should be permitted to broadly define its own local calling areas without imposition of access charges.

II. Argument.

A. The Final Arbitration Decision Should Not Overturn the Administrative Law Judge's Recommendation Adopting Global NAP's Contract Language for Issue 1.

A reading of the Petition, Reply, Testimony and Briefs indicate general concurrence that a "CLEC may elect to interconnect with an ILEC at any single,

technically feasible point on the ILEC's network."[1] Despite this agreement, Verizon continues to contest Global's proposed contract language resolving this issue.[2] Verizon asserts that "GNAPs' contract language is problematic and confusing."[3] It is not. In point of fact, it is in absolute conformance with federal law on this issue. This is the very reason why the Administrative Law Judge selected it.

What is confusing to Verizon is how to square Global's contract language with its proposal to penalize Global with excessive transport rates for traffic Verizon's customers originate if Global's proposed contract language is retained. Verizon's own recommendations regarding selection of the point of interconnection are inextricably intertwined with its creation of an artificial distinction between the point of interconnection and the interconnection point. In Global's view, (and when referenced by the FCC), these points are the same. It logically flows that the point at which the responsibility for physically passing traffic between the carriers should also be where fiscal responsibility passes. Not so under Verizon's proposal. It became apparent during negotiations that Global had to be precise in designating the point at which traffic is exchanged to be one and the same point at which financial responsibility passes.

Verizon's Exceptions fail to state the root of disagreement on the issue of designating the POI. They agree that Global can designate the POI; they disagree that it should necessarily be the same point at which financial responsibility passes. A critical examination of the language below reveals Global's attempt to preclude Verizon from

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[1] *Proposed Arbitration Decision* at 3; Exceptions of Verizon North Inc. and Verizon South Inc. to the Proposed Arbitration Decision at 1. ("Verizon Exceptions").

[2] *See* Global Ex. B to Petition.

[3] Verizon Exceptions at 2.

circumventing the effect of Global's exercise of its right to designate a single POI. It is imperative for the Commission to retain this language, (especially the italicized protective phrases), in order to give meaning to the Administrative Law Judge's determination regarding transport costs, discussed below.

2.1: Methods for Interconnection.

2.1.1.

In accordance with, but only to the extent required by, Applicable Law, the Parties shall provide interconnection of their networks at any technically feasible point as specified in this Agreement. GNAPs may designate a single point of interconnection per LATA. This point shall be called the Point of Interconnection ("POI") between the Parties. The Parties may designate additional POIs within the LATA at a later date, however, only one GNAPs-designated POI per LATA is required for interconnection of the Parties' respective networks. ***Each Party is responsible for transporting telecommunications traffic originating on their network to the POI at their own cost.***

2.1.2.

Each Party ("Originating Party"), at its own expense, shall provide for delivery to the relevant IP of the other Party ("Receiving Party") Reciprocal Compensation Traffic and Measured Internet Traffic that the Originating Party wishes to deliver to the Receiving Party. ***Verizon shall treat GNAPs' POI as Verizon's relevant IP and GNAPs will treat its POI as GNAPs' relevant IP***. To the extent GNAPs establishes additional POIs in the LATA, GNAPs may designate those points as relevant IPs.

B. The Final Arbitration Decision Should Not Overturn the Administrative Law Judge's Recommendation Adopting Global NAP's Contract Language for Issue 2.

Verizon filed exceptions to the Administrative Law Judge's decision to adopt Global's language resolving issue 2.[4] Verizon's understates its objection. Verizon

[4] *Id.* at 4 et seq.

doesn't put forth any arguments regarding Global's contract verbiage. Instead, Verizon disagrees with the findings, factual basis and even the interpretation of federal and state law found in the Proposed Order.

a. Global Should Not Be Forced To Mirror Verizon's Network Architecture.

The first argument posed by Verizon is that if Global did not shoulder the cost of transport for calls made by Verizon's own retail customers from the tandem, or in some instances the end office, to Global's point of interconnection, then Global is incented to maximize use of Verizon's network.[5] This contention is evident because "GNAPs itself admits that it wants to deploy a relatively small number of switches and, thereby, transport traffic over relatively greater distances."[6] Although it is true that Global typically has a different network architecture, it is not the result of an attempt to maximize Verizon's costs. Indeed, Global's witness Lundquist took great pains to present detailed testimony regarding the differences in network architecture. The point of this testimony was to indicate how the Act contemplated use of incumbents' network facilities, *e.g.*, unbundled network elements, as a more efficient alternative to constructing entirely duplicative networks.[7] Construction of a duplicative network is prohibitively expensive and no new entrant can afford this. Even if a CLEC could duplicate the ILEC's network, such an undertaking would be extremely wasteful.

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[5] *Id.*

[6] *Id.*

[7] *See* Direct Testimony of Scott C. Lundquist at 15-18 (May. 16, 2002)("*Lundquist Direct*").

Verizon's premise that CLEC's design their networks to maximize ILECs' costs is absurd. The reason that CLECs have less switching and more transport has nothing to do with the ILECs' costs. The reason lies in the fact that switching is often more expensive than transport. Indeed, as Global's witness Lundquist testified, and as this Commission found previously, the cost of transport is *de minimis*. Switching, in contrast, is expensive. Having a relatively larger number of switches in a network architecture such as Verizon has is due to serving a larger number of customers.[8] Where there is sufficient customer mass, CLECs construct switching. Until there is sufficient customer mass, it is probable that CLECs will rely on transport to aggregate customer traffic to a point at which there is sufficient mass to justify placing a switch economically. Thus, there is an independent economic reason dictating Global's network architecture which has nothing to do with maximizing Verizon's costs for transporting its own customers' traffic on its side of the point of interconnection.

b. The Administrative Law Judge Has Sufficient Evidence to Arrive at a Factual Determination Regarding Transport Costs.

Verizon next attacks the *Proposed Arbitration Decision* by stating it is "further influenced by GNAP's naked claims that the additional costs Verizon would incur in transporting GNAPs' traffic to a distant POI are 'de minimis'."[9] This accusation is wildly misleading. Global was the only party to put forth any cost testimony. It is true that Global's witness admitted he did not know what Verizon would charge Global for

[8] "ILECs such as Verizon North may serve a million or more individual subscribers statewide and can thus afford to deploy relatively efficient, large-scale switching systems in close geographic proximity to their customers." Lundquist Direct at 11.

this additional transport.[10] Despite interrogatories, Verizon provided no basis for such calculation. Indeed, it is impossible for Global to determine—even now—what charges could be assessed if the Commission reversed the Judge's determination on this issue. Although Verizon's rates are a matter of public record, it has not provided any guidance on when, how, and on what basis, (e.g., how Verizon will measure applicable distances), the rate(s) will be applied.

Verizon had ample opportunity to present its costs and provide some factual basis for the Judge to find in its favor[11], but failed to do so. In the absence of any such data, Global's surrogate cost proxy is the only data on which the Commission can use in forming an informed decision on the impact of a cost burden when Verizon recovers its own transport costs from its retail customers which require the transport of calls to Global's point of interconnection.

Global's witness Lundquist took great pains to indicate the reasonableness of his assumptions in formulating the surrogate transport cost analysis. For example, it became evident from his testimony and during the hearing that the analysis did not rely on 24x7 use of full transport capacity. Instead, the model assumed a capacity use of roughly 25% of a DS-3 trunk. Although the model included the full retail cost of a DS-3, Global could have been more aggressive in reducing the resulting proxy cost if it had selected a higher

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[9] Verizon Exceptions at 5.

[10] *Id.* at 5, *citing* Tr. at 73-76.

[11] Global's testimony on the *de minimis* nature of Verizon's transport costs is discussed on pages 31 to 43 Scott Lundquist's Direct Testimony. Although it is not meant to be a cost study for the purpose of proposing a rate, it is a tool to indicate the magnitude of disparity between the ILEC's transport costs and the transport charge the ILEC wishes to impose. Lundquist presents testimony showing that if the ILEC's charge was imposed, the incremental charge should be approximately $0.000020101, *i.e.*, about two thousandths of a cent. *Lundquist Direct* at 35 & Table 3 of Attachment 3.

use of the available capacity because it would require less DS-3s to accomplish the needed transport function. Moreover, Global's model did not invent the capacity used to minimize transport costs, but instead based the 8.9 million minutes of use, (*i.e.*, the root of the capacity utilization) on the statement of a BellSouth witness that this was a reasonable figure.

c. Verizon's Equitable Argument is an Illogical Handstand.

Verizon argues that if it bears transport costs "it is burdensome to Verizon ratepayers who will bear the costs that GNAPs' customers will avoid."[12] Since this is the crux of its equity argument, special attention must be paid to it. A closer examination will reveal how this allegation is an exercise in mental gymnastics.

Verizon's allegation could make sense if the identity of the customers were reversed. Recall that it is Verizon's customers that are making calls to Global's customers. Traditionally, the calling party pays for the costs of the calls made. This is common sense. The calling party can determine whether to make the call or not based on what their expected retail charge may be. For example, it is much easier to part with a quarter to call across town than to part with dollars to call across state lines. This is the status quo. It is also the only way for consumers to make rationale judgments whether to use a service or not. The called party has no way to make such assessment because he may or may not know what charges apply since he/she may not know whether or not the call placed to them is a toll call.

[12] Verizon Exceptions at 6.

Next it is important to recall what costs are being incurred. The cost in contention is the cost to carry the call from a Verizon tandem (or in some cases a Verizon end office) to the point at which the traffic is exchanged with Global. These costs are on Verizon's side of the POI. Global does not seek to recover its transport costs, despite the fact that it has only one switch in the state and must often transport calls great distances. Moreover, Verizon already has deployed a ubiquitous network, including a spider's web of trunking and interoffice transport. The carriage of calls by Verizon is just an incremental addition to its current traffic flow (and as discussed above, it is caused by Verizon's own retail customers). For Global, however, carriage of these calls would require construction of transport facilities and/or payment to Verizon for such facilities. As addressed at the hearing, Global witness Lundquist asserted that Verizon's rates may not reflect a truly "incremental" rate since originating and terminating electronics are included, as is tandem switching, etc.

Finally, it is not Global's customers who are "avoiding" transport cost obligations. Global's customers are not the calling parties; they are the called parties. When Global's customers do place calls, Global charges them at the retail level, just as Verizon did. Indeed, Global has its own network costs which it recovers from its retail customers. Global must recover all its network costs on its side of the POI – switching, transport, real estate and other facilities and services. These are the same types of costs Verizon has on its side, albeit in different proportions.

Verizon's allegation that if it bears transport costs "it is burdensome to Verizon ratepayers who will bear the costs that GNAPs' customers will avoid" would be more credible if it was stated as follows: it is burdensome to Verizon when ratepayers make

calls to Global because many of its customers subscribe to unmeasured service and therefore it can not recover additional revenues. Instead of allowing Verizon to recover additional revenues from Global and/or Global's customers, the Commission should require each carrier recover its own network costs (as determined by the point of interconnection between the two carriers) from its own retail customers. This is exactly the kind of equitable determination envisioned under federal law; it is consistent with prior Illinois Commission decisions and should be reinforced instead of reversed.[13]

d. The *Proposed Arbitration Decision* Does Not Give Undue Deference to the FCC's *Virginia Order.*

After attempting to reverse the Administrative Law Judge's determination on equitable grounds (discussed above) Verizon next attacks the decision's legal basis.[14] Verizon begins by arguing that in the *Local Competition Order*[15], the FCC found that "a requesting carrier that wishes a 'technically feasible' but expensive interconnection would, pursuant to section 252(d)(1), *be required to bear the cost of that interconnection,* including a reasonable profit."[16] Verizon misinterprets the plain meaning and ascribes this sentence with unwarranted importance.[17] The sentence speaks for itself. The cited

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[13] Federal law envisions the sensible resolution that each carrier be responsible for transport costs on their own respective sides of the POI. *Virginia Order* ¶¶ 286-288.

[14] Verizon Exceptions at 6 et seq.

[15] 61 FR 45619 (Aug. 29, 1996).

[16] Verizon Exceptions at 6, 7 *citing Local Competition Order ¶199* (emphasis added by Verizon).

[17] In *US West Communications,* the Court noted, "a reasonable argument can be made that additional compensation should be required of a carrier that seeks to interconnect in a manner that is extremely inefficient or exhausts existing network facilities." The issue of whether a CLEC that chooses a single POI per LATA should be required to pay transport and tandem switching charges was not before the court, and the court examine Rule 51.703(b) or make any determination regarding that rule. *U S West Communications, Inc. v. AT&T Communications, Inc.*, 31 F.Supp.2d 839 (D.Or. 1998)("*US West Communications*"); *see also Virginia Arbitration Decision* at ¶853.

portion of the *Local Competition Order* has nothing to do with transport costs of a carrier on its side of the point of interconnection. Indeed, it refers to the cost of "that interconnection."[18] Global has, to date, used two types of interconnection to exchange traffic with Verizon. They are both very similar; the end-point fiber meet and the mid-span meet. These are arrangements whereby Global's optic fibers terminate at Verizon's COT or other facilities, or, in the case of a mid-span meet, Global's fibers terminate at a "hard access" splice point. These methods of interconnection are, arguably, the *least* expensive. More importantly, however, Global and Verizon have a long-standing custom (which is memorialized in many Memoranda of Understanding) that allocate the cost of the interconnection facilities on a 50-50 basis. Thus, the argument raised by Verizon is out of place; a red-herring.

Verizon attempts to make even more of this argument by claiming that this somehow undercuts the reasoning of the FCC's decision in the consolidated Virginia Arbitration between Verizon, Cox Communications, WorldCom and AT&T Communications. Verizon asserts that the FCC's "failure" to address paragraph 199 of the *Local Competition Order* is "noteworthy".[19] As described above, there is little, if any, relationship between Verizon's VGRIP proposal assigning transport obligations on

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[18] Memorandum Order and Opinion, *Petition of WorldCom, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc. and For Expedited Arbitration*, CC Docket No. 00-218; *Petition of Cox Virginia Telecom, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc. and For Arbitration*, CC Docket No. 00-249; *Petition of AT&T Communications of Virginia, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc.*, CC Docket No. 00-218, DA 02-1731 at ¶853 (Re. July 17, 2002) ("*Virginia Order*").

[19] Verizon Exceptions at 8.

Verizon's network on Verizon's side of the point of interconnection to allocating facilities costs where CLECs use "expensive interconnection." It would be imprudent to suggest that in a tomb of close to 400 paragraphs such as the *Virginia Arbitration Decision,* the FCC somehow forgot about paragraph 199 of the Local Competition Order. This is especially unlikely given that Verizon itself reminded them of it in its briefs.

Verizon further attacks the Administrative Law Judge as giving "undue deference" to the *Virginia Arbitration Decision.* Instead, presumably, the FCC's decision should be weighted on par with that of the South Carolina Commission or Ohio Commissions.[20] This belies the decision's significance. The FCC is charged with interpreting the Act. Even if, arguendo, this Commission accepts Verizon's argument that the decision is not compelling and should not be accorded more weight than that of any other Commission, the decision certainly provides instructive guidance on what the FCC believes is a proper interpretation of the Act. Perhaps most importantly, while Verizon alleges the Judge gave the *Virginia Arbitration Decision* undue deference, Verizon never addresses its underpinnings, or for that matter the many other rulings by the FCC reaching the same conclusion.[21] The FCC's decision relied on statute. Specifically, the FCC' determination was rooted in the rule 51.703(b) which states:

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[20] *See* Verizon Exceptions at 8,9.

[21] As the FCC stated in the Kansas/Oklahoma 271 decision:

> Nor did our decision to allow a single point of interconnection change an incumbent LEC's reciprocal compensation obligations under our current rules. For example, these rules preclude an incumbent LEC from charging carriers for local traffic that originates on the incumbent LEC's network. These rules also require that an incumbent LEC compensate the other carrier for transport and termination for local traffic that originates on the network facilities of such other carrier.

In the Matter of Joint Application by SBC Communications, Inc. et al. for Provision of In-Region, InterLATA Services in Kansas and Oklahoma, Memorandum Opinion and Order CC Docket No.

(b) A LEC may not assess charges on any other telecommunications carrier for telecommunications traffic that originates on the LEC's network.
applies to cases involving a single POI:

Finally, it should not go unnoticed that Verizon fails to grapple with the problem of this Commission's own precedent on this issue. In the consolidated arbitration between Global and Sprint/SBC, the Commission found that these ILECs' transport costs were *de minimis* and did not impose any transport obligations on their side of the Global point of interconnection on Global.[22] Thus, Verizon is not only asking this Commission to turn its back from the guidance of the FCC (as well as that offered by New York[23] and other state commissions), but also to effectively reverse the law it made recently in a similar case.[24]

00-217, (rel. Jan. 22, 2001)(" *Kansas/Oklahoma 271 Order*"); *see also In the Matter of Developing a Unified Intercarrier Compensation Regime*, Notice of Proposed Rulemaking, CC Docket No. 01-92, FCC 01-132at ¶112 (rel. Apr. 27, 2001) ("*Intercarrier Compensation NPRM*").:

Our current reciprocal compensation rules preclude an ILEC from charging carriers for local traffic that originates on the ILEC's network.

[22] Arbitration Decision, *Global Naps, Inc. Petition For Arbitration Pursuant To Section 252 Of The Telecommunications Act Of 1996 To Establish An Interconnection Agreement With Illinois Bell Telephone D/B/A Ameritech*, 01-07 86 (Ill.C.C. May 14, 2002) ("*Global Illinois Order*") at 8.

[23] For example, the New York Commission found:

> We reject Verizon's proposal and shall keep in place the existing framework that makes each party responsible for the costs associated with the traffic that their respective customers originate until it reaches the point of interconnection.

Order Resolving Arbitration Issues, Joint Petition of AT&T Communications o f New York, Inc., et al., Pursuant to Section 252(b) of the Telecommunications Act of 1996 for Arbitration to Establish an Interconnection Agreement with Verizon New York, Inc., Case 01-C-0095 (July 30, 2001) ("*NY AT&T Order*") at 27-28.

[24] This Commission held that:

> [T]he Commission is of the opinion that Ameritech and Global should be responsible both financially and physically on its side of the single POI. Ameritech's arguments, while lengthy are not persuasive to require the adoption of the Ameritech proposal. The Commission concurs that the transportation of calls to a single POI in each LATA would not significantly increase transport costs, but rather the incremental costs that Ameritech would incur would be de

C. *The Final Arbitration Decision Should Not Recommend Verizon's Contract Language for Issue 4.*

Verizon alleges that the *Proposed Arbitration Decision* "wrongly deprives Verizon of access charges". Verizon walks a fine line when making its argument because Verizon itself does not assess its retail end-users toll charges when they use Verizon's FX service. Thus, when Verizon argues that access charges should be received from Global for calls that originate and terminate in different local calling areas, it is playing fast-and-loose. What Verizon really means is access charges apply to other carriers who offer competitive FX service, but I am exempt from assessing toll charges to my customers. Verizon apparently does not include itself when it states "[c]arriers traditionally pay access chares for use of an ILECs' network to complete interexchange calls."[25]

Not only is effecting Verizon's desired relief discriminatory, it fails to take into consideration other arguments Global made which support provision of competitive FX services in Verizon's territory. As the FCC found, and as argued by Global, Verizon has not developed a new rating system using end to end physical/geographical measurements to rate a call for CLECs when it does not do so for itself. Moreover, Verizon posed no practical means to implement this awkward call rating regime.[26] Thus, the current standard industry practice which establishes that FX traffic is telephone exchange service

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minimus. Ameritech's position could have the effect of undermining the single POI requirement.

Global Illinois Order at 8.

[25] Verizon Exceptions at 11.

is the only practical way to rate calls. As a result, when a carrier provides retail FX service, telephone numbers are assigned to end users within NPA/NXXs that are associated with ILEC local calling areas other than the location of the end user. The classification (local vs. toll) of the call is determined by comparing the rate centers associated with called and calling party's NPA/NXXs, *not* the physical location of the customers.

Global's FX calls impose no additional transport costs on the originating carriers greater than a typical local call. Whether or not the call from the ILEC customer is to a Global FX customer, the originating carrier's responsibility is the same: to deliver traffic originating on its network to the POI with the CLEC network. The CLEC provides the facility linking the FX-like service customer to the CLEC switch. Thus, Global's FX service generates exactly the same costs that are involved with the delivery of any other local traffic to the POI(s).[27]

Finally, and perhaps most importantly to Verizon's argument, assertions that Verizon is losing toll revenues by not being able to bill originating customers toll rates for FX calls is also incorrect. The very point of any FX service is to provide end users a *local* calling number for a particular business, and there is no reason to assume that this traffic would exist if it required a toll call. If the originating caller wants to call a local number for the service he or she seeks, the customer may simply find a vendor with a local number rather than dial a toll number. The customer, if confronted with a toll

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[26] Verizon conceded it was unable to implement its desired solution and offered no contract language to support such a call rating regime. *See Virginia Order* at ¶302.

[27] Lundquist's testimony described, by way of examples with diagrams how the "traditional" local call and a call using VNXXs were the same because "the ILEC's work — and its costs — are absolutely identical. *See Lundquist Direct* at 71.

charge, would have been unlikely to make the call which Verizon now claims it will lose revenue when not made.[28] There is no loss of revenue if the customer does not make a call in the first place.[29] To the extent that Verizon suffers any revenue losses resulting from competition, adjusting its prices can minimize these losses—just as any other competitor would do.[30] Thus, it is not clear that Verizon is deprived of any access revenues if Global is allowed to compete with its own FX service against Verizon's. Moreover, the result proposed in the decision is not discriminatory which a Verizon-favorable result would surely be.

D. The Final Arbitration Decision's Resolution of Issue 10 Should Not Be Revised to Impose Additional Burdens on Global NAPs.

Verizon requests additional insurance coverage to that determined in the *Proposed Arbitration Decision.* It is inexplicable why SBC and Global can agree on this issue while Verizon does not. Indeed, SBC has a much larger presence, and hence more risk and exposure, in Illinois than Verizon does. There is no reason to have two different standards. Verizon implies that Verizon has risk which is somehow not otherwise covered sufficiently by the insurance requirements awarded in the *Proposed Arbitration Decision.* SBC has the exact same exposure. The difference is that in Illinois, Global actually interconnects with SBC using collocation, while there is no such arrangement with Verizon in Illinois (and fiber meet points remains the standard method for

[28] *Lundquist Direct* at 62-63.

[29] *Id.* at 63.

[30] *Id.* at 62.

interconnection between Verizon and Global). Verizon does not warrant special consideration and Global should not be required to face additional burdens for insurance between these two similarly situated carriers. It is unreasonable to ask a new entrant to burden itself with excessive premiums when the incumbent avails itself, at least in part, with "self-insurance" to relieve itself of similar premiums.

E. *The Final Arbitration Decision Should Not Recommend Verizon's Contract Language for Issue 11.*

Verizon alleges that a GNAP's principal's past actions in a different jurisdiction in a different business on behalf of a different entity somehow entitles it to information which Global deems proprietary in nature. Verizon asserts that "GNAPS has no reasonable basis to assert that Verizon should simply have to trust in its reasonable performance under the interconnection agreement."[31] This is no more than a thinly veiled personal vendetta.

Verizon is currently able to monitor traffic reports to determine the veracity of Global's bills. Further, Global has consistently offered to provide all relevant call data records (CDRs). These two pieces of data present adequate information to verify the number of minutes passed between the carriers, etc. What Verizon does not reveal is that it will not be paying Global for any traffic anyway since reciprocal compensation is based on bill and keep when Global and Verizon begin to exchange traffic. Viewed in this context, the need to verify minutes of use, bills, etc. is absurd at best. The Commission should see this ruse and allow Global to preserve its confidential customer information

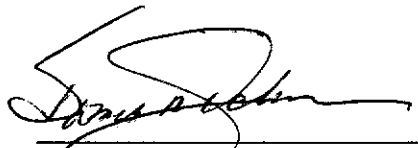
without being subject to Verizon's prying eyes. Pointless audits are wasteful, disruptive, and anticompetitive.

III. Conclusion.

The Administrative Law Judge provided adequate legal support and, while Global does not agree with the Proposed Arbitration Decision in its entirety, believes it should stand as an integrated document. Global affirmatively supports the decision on issues 1, 2 and 4 because they comply with Illinois and Federal Law and will result in promoting competition in Illinois.

Date: September 13, 2002

Respectfully submitted,
Global NAPs, Inc., By:



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[31] Verizon Exceptions at 18.

Service List – 02-0253

In accordance with procedures discussed by the parties, service was made on September 13, 2002 by e-mail to the parties listed below with hard copies provided via federal express to Judge Gilbert and the Commission the following day

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